



“NHPC Q2 FY23 Earnings Conference Call”

November 11, 2022



**MANAGEMENT: MR. Y.K. CHAUBEY – CHAIRMAN AND MANAGING
DIRECTOR, NHPC LIMITED**

**MR. R.P. GOYAL – DIRECTOR (FINANCE), NHPC
LIMITED**

**MODERATOR: MR. RUPESH SANKHE – ELARA SECURITIES PRIVATE
LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the NHPC Q2 FY'23 Earnings Conference Call hosted by Elara Securities Private Limited.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchstone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rupesh Sankhe from Elara Securities Private Limited. Thank you and over to you sir.

Rupesh Sankhe: Good afternoon, everyone. On behalf of Elara Securities, we welcome you all for the Q2 FY'23 conference call of NHPC. I take this opportunity to welcome the management of NHPC represented by Mr. Y.K. Chaubey sir, Chairman and Managing Director; Mr. R.P. Goyal sir, Director (Finance). We'll begin the call with the brief overview by the management followed by Q&A session.

I will now hand over the call to Mr. Y.K. Chaubey sir for his opening remarks. Over to you, sir.

Y.K. Chaubey: Good evening friends. The NHPC Board has adopted Half Yearly Financial Results for the period ended 30th September'22 in its meeting held on 10th November'22 and the same has already been communicated to Exchanges. By now, I hope you all would have got chance to go through the quarterly and half yearly set of numbers.

First, I will just touch upon major highlights and then detailed analysis of the results shall be discussed by our Director (Finance), Shri Goyal sir.

- Brief highlights of the financial results and important updates on the company are as under:

- During Half Year FY'23, our Power Stations have achieved generation of 18,048 MUs vis-à-vis 17,155 MUs generated in the corresponding period of the previous year which is about 5% higher i.e. 893 MUs. This is mainly due to the higher water availability and restoration of Sewa-II Power Station, which was completely shut down with effect from 25th September'20 till 21st February'22.
- Our PAF for Half Year FY'23 stands at 99.23% against the corresponding previous period PAF of 95.74%, which is about 4% higher.
- During Half Year FY'23, Company has earned Revenue from Operation of Rs. 5,482 Crore as against Rs. 4,916 Crore in the corresponding previous period.
- During Half Year FY'23, Company has earned PAT of Rs. 2,483 Crore vis-à-vis Rs. 2,217 Crore of corresponding period which is up by Rs. 266 Crore i.e. 12% approximately.
- On physical front, as we have been sharing that the active construction work at Subansiri Lower Project site is going on full swing. Some of the major milestones have been completed towards commissioning of the project. Although project hit by flood and extended monsoon in last two months, but I am very hopeful that we can commission two units by June'23. The full commissioning i.e. all units of the project is expected by March'24.
- In respect of Parbati-II HE Project, the pace of tunneling work has been hampered due to the formation of cavity and ingress of water from tunnel face, which flooded the tunnel. Several setback/ events occurred at this front during previous months. The work has already been resumed. We

are trying our best to complete the remaining tunneling works to complete the project by December'23.

- In respect of Dibang Multipurpose Project i.e. 2,880 MW, PIB in its meeting held on 11th October'22 recommended the proposal regarding implementation of the project by NHPC for consideration of CCEA. Draft material for CCEA note has been submitted to MoP on 28th October'22. The estimated cost of the project is Rs. 31,876 Crore and estimated levelized tariff is Rs. 4.46 per unit.
- As shared earlier that NHPC has acquired Lanco Teesta Hydro Power Limited' Teesta-VI project (500 MW) through NCLT route. Estimated cost of the project is Rs. 5,748 Crore out of which we have already incurred expenditure of Rs. 1,819 Crore till September'22. Estimated levelized tariff of the project is Rs. 4.07 per unit. Expected commissioning schedule of the project is July'25. Further, we are in the process of merger of LTHPL with NHPC and it is presently under examination by MCA.
- As we have already shared that NHPC had acquired another project i.e. Jal Power Corporation Limited's Rangit IV project (120 MW) in Sikkim through NCLT route. The estimated cost of the project is Rs. 938 Crore out of which we have already incurred expenditure of Rs. 334 Crore till September'22 and estimated levelized tariff is Rs. 4.37 per unit. Further, we are in the process of merger of JPCL with NHPC. The project is expected to be completed by August'24.
- The Ratle HE Project, UT of J&K (850 MW) is being developed by Ratle Hydroelectric Power Corporation Limited (a joint venture of NHPC and JKSPDC in which NHPC holds 51% share). The contract of Turnkey execution of the project has been awarded to M/s Megha Engineering and Infrastructure Limited on 18th January'22. Hon'ble Prime Minister of India led the foundation stone of the project on 24th April'22. The estimated cost of the project is Rs. 5,282 Crore. The work has already

been started at site and we have incurred expenditure of Rs. 110 Crore till September'22. The levelized tariff of the project is Rs. 3.92 per unit. The project is expected to be completed by February'26.

- Presently, NHPC through its subsidiary CVPPL is executing three projects in Chenab Basin, UT of J&K. Construction work of Pakaldul HE Project (1000 MW) and Kiru HE Project (624 MW) is progressing well within the overall schedule of the completion i.e. July'25 and we have incurred expenditure of Rs. 2,517 Crore and Rs. 815 Crore till September'22 on these projects respectively.

Further, Hon'ble Prime Minister of India has led the foundation stone of the Kwar Hydro Electric Project (540 MW) on 24th April'22. Civil work package stands awarded and work has also been started at site. The project will be completed by November'26. The estimated cost of the project is Rs. 4,526 Crore and estimated levelized tariff is Rs. 4.44 per unit.

- As we have shared that some of the largest Hydroelectric Projects in the Siang and Subansiri Basins have been allotted to NHPC by Ministry of Power on 22nd December'21. The projects in Subansiri Basin i.e. 2,000 MW Subansiri Upper and 1,800 MW Subansiri Middle shall be developed by NHPC on standalone basis while 10,000 MW Upper Siang and 2,700 MW Siang Lower in Siang Basin are to be developed in JV mode.
- Apart from above, NHPC is working on three new projects in UT of J&K viz Sawalkot (1856 MW), Uri-I Stage-II (240 MW), Dulhasti Stage-II (260 MW) and Dugar Project (500 MW) in Himachal Pradesh.
- In respect of Sawalkot HEP, agreement on handing over / taking over has been signed between NHPC and JKSPDC on 11th December'21 & NHPC has taken over the project. Ministry of Power has accorded

investment approval on 12th July'22 for incurring expenditure on pre-investment activities for an amount of Rs. 973 Crore at November'21 price level. Process for obtaining forest clearance has been initiated.

- DPR of Uri-I Stage-II HEP was submitted on 18th May'22 and accepted by CEA for examination in the meeting held on 20th June'22. EIA/EMP study for Environment Clearance is in progress. 11 out of total 23 clearances have been obtained. Further, process for obtaining forest clearance is also in progress.
- In respect of Dulhasti Stage – II Project, clearance of 7 out of 9 nos. of Chapters have been received and EIA/EMP studies for Environment Clearance is in progress. No forest clearance is required in this project and NOC has been obtained from Forest Department. Further, Defense Clearance has already been accorded by Ministry of Defense.
- DPR of Dugar project has been concurred by CEA on 26th April'22. Tender for EPC contract for Dugar project is under process and we shall be ready for award once we get the requisite PIB/CCEA clearance for the implementation of the project.
- Bulk Power Supply Agreement has been signed between Lanco Teesta Hydro Power Limited and Chattisgarh State Power Distribution Company Limited at Raipur on 21st July'22 for power generated from 500 MW Teesta-VI H.E. Project for a period of 40 years from COD.
- We have inked an MoU with the Investment Board of Nepal at Kathmandu, Nepal on 18th August'22 for development of 750 MW West Seti and 450 MW SR-6 hydroelectric projects. NHPC also signed MoU with PTC India Limited for Power Sales Arrangement of these projects on 30th August'22. Further, the discussions for implementing 480 MW Phukot karnali project in Nepal are in final stage.

- NHPC Renewable Energy Limited, the wholly owned subsidiary of NHPC Limited, has signed MoU with Government of Rajasthan on 24th August'22 at New Delhi for “Development of 10,000 MW Ultra Mega Renewable Energy Power Parks” in the state of Rajasthan.
- NHPC bagged 1,000 MW capacity Solar Power project at a Viability Gap Funding of Rs. 44.9 lakh/MW under CPSU Scheme, Phase-II, Tranche-III in the e-Reverse auction conducted by Indian Renewable Energy Development Authority (IREDA) on 23rd September'21. Further, EPC Contracts have been awarded for development of the project and transmission line for power evacuation to ISTS sub-station along with the comprehensive Operation & Maintenance for five years.
- Power Purchase Agreement has been signed between Bundelkhand Saur Urja Limited and Uttar Pradesh Power Corporation Limited for Kalpi Solar Power Project on 28th April'22 at a fixed tariff of Rs. 2.68/unit. Further, the project has been synchronized with the Grid and commissioned partially on 9th July'22. Capacity will be added to Grid gradually to full capacity of 65 MW by 31st December'22.
- As we have shared earlier that NHPC as an intermediary procurer awarded 2,000 MW ISTS connected solar PV Power Project to 5 nos. of developers with a trading margin of 7 paise/unit. Out of 2,000 MW, 320 MW was awarded to M/s Avaada Energy Pvt. Ltd. at Bikaner, Rajasthan. Recently, part commissioning of 153.6 MW and 112 MW of said project has been achieved on 14th and 28th September'22 respectively. Balance capacity of 54.4 MW is expected to be commissioned by November'22.

For balance capacity, land location confirmation, transmission connectivity feasibility by CTU, financing arrangement, supply order for module/ balance of system have been achieved by respective developers.

- NHPC is also exploring to develop Pumped Storage Projects in the state of Andhra Pradesh, Odisha, Jharkhand, Karnataka, Madhya Pradesh and Maharashtra. We are conducting study on the feasibility of certain projects, like Indrasagar Omkareshwar Pumped Storage Scheme (525 MW) and Tekwa-2 Pumped Storage Scheme (800 MW) in Madhya Pradesh and also some projects in other states.
- NHPC has annual CAPEX plans of Rs. 8,000 Crore approximately in the coming years considering its projects' pipeline.

This is all from my side. Now I request Director (Finance), Shri Goyal to discuss financial results in detail. Thank you.

R.P. Goyal:

Good evening, friends. I am going to share with you detailed quarterly and half yearly set of numbers with the detailed analysis.

NHPC Board has adopted Half Yearly Financial Results for the period ended 30th September'22 in its meeting held on 10th November'22 and the same has already been communicated to Exchanges.

- Brief highlights of the financial results and important updates on the Company are as under:

- During Half Year FY'23, our Power Stations have achieved generation of 18,048 MUs vis-à-vis 17,155 MUs generated in corresponding period of the previous year which is about 5% higher i.e. 893 MUs.

During 2nd Quarter FY'23, our Power Stations have achieved generation of 9,980 MUs vis-à-vis 9,912 MUs generated in corresponding period of the previous year showing marginal increase.

- Our PAF for the Half Year FY'23 stands at 99.23% against the corresponding previous period PAF of 95.74% which is about 4% higher.

Our PAF for 2nd Quarter FY'23 stands at 99.87% against the corresponding previous period PAF of 99.00% which is about 1% higher.

- For Half Year FY'23, Company has earned Revenue from Operation of Rs. 5,482 Crore as against Rs. 4,916 Crore in the corresponding previous period which is 12% higher. In absolute figure, it is Rs. 566 Crore. The increase in revenue is mainly due to higher generation (Rs. 450 Crore approx.) and increase in revenue from Power Trading Business by Rs. 111 Crore.

During Q2 FY'23, Company has earned Revenue from Operation of Rs. 2,888 Crore as against Rs. 2,745 Crore in the corresponding previous period, which is about 5% higher. The increase in revenue is mainly due to higher generation and increase in revenue from Power Trading Business by Rs. 7 Crore. Increase in revenue on account of higher generation is to the tune of Rs. 137 Crore.

- Other Income for the Half Year FY'23 is of the order of Rs. 332 Crore vis-à-vis Rs. 374 Crore during the corresponding previous period which is about 11% lower (i.e. Rs. 42 Crore). This is mainly due to decrease in Late Payment Surcharge by Rs. 126 Crore which means that our collection position has improved.

Other income for Q2 FY'23 is of the order of Rs. 115 Crore vis-à-vis Rs. 171 Crore during the corresponding previous period which is about 33% lower to the tune of Rs. 56 Crore. This is also mainly due to decrease in Late Payment Surcharge by Rs. 102 Crore.

- During Half Year FY'23, the Generation Expenses have gone up from Rs. 578 Crore to Rs. 637 Crore i.e. Rs. 59 Crore which is mainly due to applicability of water cess in state of Uttarakhand and Sikkim.

During Q2 FY'23, the Generation Expenses have gone up from Rs. 316 Crore to Rs. 367 Crore, i.e. by Rs. 51 Crore which is also mainly due to applicability of water cess in Uttarakhand and Sikkim.

- During Half Year FY'23, the Employees Cost has come down from Rs. 623 Crore to Rs. 598 Crore i.e. by Rs. 25 Crore. The decrease is mainly due to superannuation of employees, which is partly offset by increase due to increment, promotion etc.

During Q2 FY'23, the Employees Cost has come down from Rs. 306 Crore to Rs. 291 Crore i.e. by Rs. 15 Crore and which is again due to superannuation of employees and partly offset by increase in DA etc.

- During Half Year FY'23, there has been decrease in the Finance Cost from Rs. 268 Crore to Rs. 244 Crore i.e. by Rs. 24 Crore which is mainly due to change in rate of interest by Rs. 11 Crore and decrease due to Repayment of Loans by Rs. 16 Crore.

During Q2 FY'23, there has been decrease in the Finance Cost from Rs. 134 Crore to Rs. 107 Crore i.e. by Rs. 27 Crore which is mainly due to change in rate of interest by Rs. 6 Crore and decrease due to Repayment of Loans by Rs. 8 Crore.

- During Half Year FY'23, the Depreciation & Amortization Expenses have gone up from Rs. 559 Crore to Rs. 571 Crore i.e. by Rs. 12 Crore which is mainly due to additional capitalization in certain power stations.

During Q2 FY'23, the Depreciation and Amortization Expenses have gone up from Rs. 280 Crore to Rs. 284 Crore i.e. by Rs. 4 Crore. This is mainly due to additional capitalization in certain power stations.

- During Half Year FY'23, Other Expenses have gone up from Rs. 595 Crore to Rs. 858 Crore i.e. by Rs. 264 Crore. This is mainly due to increase in Provision against impairment of investment in respect of

Loktak Downstream Hydroelectric Power Corporation Limited by Rs. 106 Crore, fair value loss on financial assets amounting to Rs. 124 Crore and increase in CSR expenditure by Rs. 43 Crore which is partly offset by decrease in Insurance Expenses by Rs. 17 Crore.

During Q2 FY'23, Other Expenses have gone up from Rs. 283 Crore to Rs. 352 Crore i.e. by Rs. 69 Crore. This is mainly due to increase in fair value loss on financial assets of Rs. 38 Crore and increase in R&M expenses, Security Expenses and CSR expenses etc.

- During Half Year FY'23, MAT Credit of Rs. 264 Crore has been recognized in the books out of which net impact of Rs. 127 Crore has been on the profit of the company. In other words, Rs. 127 Crore has been added in the profit on account of MAT Credit recognition.

During Q2 FY'23, MAT Credit of Rs. 138 Crore has been recognized in the books out of which net impact of Rs. 123 Crore has been on the profit of the company.

- During Half Year FY'23, we have earned Profit After Tax of Rs. 2,483 Crore vis-à-vis Rs. 2,217 Crore of corresponding previous period which is up by Rs. 266 Crore i.e. approx. 12% and the reasons for decrease and increase in the line items, we have just discussed in the forgoing paragraphs.

During Q2 FY'23, we have earned Profit After Tax of Rs. 1,433 Crore vis-à-vis Rs. 1,305 Crore of corresponding previous period which is up by Rs. 128 Crore i.e approx 10% and the reasons for decrease and increase in the line items, we have just discussed in the forgoing paragraphs.

- During Half Year FY'23, the incentive position is as under:

Our PAF based Incentive during First Half of the FY'23 was Rs. 353 Crore as against Rs. 313 Crore in the corresponding previous Half Year. So, there is an increase of Rs. 40 Crore on account of PAF based incentive.

On account of Deviation Charges, we have earned Rs. 119 Crore during this current Half Year as against Rs. 85 Crore in the corresponding previous period. Thus, there is an increase of Rs. 34 Crore in Deviation Charges.

So, our total incentive on account of these two incentives is Rs. 472 Crore for current Half Year as against Rs. 398 Crore earned in the corresponding previous Half Year. So, there is an increase of Rs. 74 Crore in the current Half Year.

- During Q2 FY'23, the incentive position is as under:

On PAF based incentive, we have earned Rs. 181 Crore during this Q2 of FY'23 as against Rs. 187 Crore in the corresponding previous period. So, there is a marginal decrease of Rs. 6 Crore.

On account of Deviation Charges, we have earned Rs. 47 Crore in both the quarters i.e. Q2 of FY'23 and Q2 of FY'22, Deviation Charges were Rs. 47 Crore. So, this is flat.

CAPEX of Rs. 2,646 Crore has been incurred during Half Year FY'23 against the target CAPEX of Rs. 8,061 Crore for FY'23 on consolidated basis.

- The anticipated cost of Parbati-II Project is Rs. 11,135 Crore out of which we have already spent Rs. 10,025 Crore till September '22. The estimated levelized tariff based on the anticipated cost is Rs. 6.19 per unit.

- The revised cost of Subansiri Project is Rs. 19,992 Crore out of which we have already incurred Rs. 16,395 Crore till September '22. The estimated levelized tariff based on the anticipated cost is Rs. 5.00 per unit.
- Other major highlights of the company are as under:
 - On realization front, NHPC has received Rs. 3,800 Crore from the beneficiaries against sale of energy during Half Year FY'23 as compared to Rs. 4,239 Crore in the corresponding period of previous year. Trade receivables as on 30th September'22 stands at Rs. 5,854 Crore as against Rs. 4,621 Crore as on 31st March '22. This includes Rs. 2,751 Crore as unbilled debtors as on 30th September'22 as against Rs. 1,961 Crore as on 31st March '22.
 - The Net Receivables out of total reported Trade Receivables as on 30th September'22 are classified as under:

Total reported Trade Receivables are Rs. 5,854 Crore as on 30th September'22. Out of this, Unbilled Debtors are Rs, 2,751 Crore. So, the amount of Billed Debtors is Rs. 3,103 Crore. Out of this amount, realization through bill discounting from our discoms is Rs. 1,114 Crore, so leaving 1,989 Crore as net receivables. The Billed Debtors comprises only Rs. 113 Crore for more than 45 days and the rest amount around Rs. 3,000 Crore is less than 45 days.

So, this is all from my side. Now the forum is open for question and answer. Thank you.

Moderator:

Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. [Operator Instructions] The first question is from the line of Apoorva Bahadur from Investec. Please go ahead.

Apoorva Bahadur: Thank you for the opportunity. Sir, wanted to check on the completion of dam work at Subansiri. In cubic meters, how much has been completed? And what is the total target?

Y.K. Chaubey: In Subansiri, the total dam quantity is 20.56 lakhs cubic meter and out of that, 18.32 lakhs cubic meter concrete has been already done. So, that constitutes 89%.

Apoorva Bahadur: And what is the monthly run rate typically over here over the last couple of months?

Y.K. Chaubey: In a month, normally 60,000 or the 12,000 cubic meter concrete is done, but that all depends upon the season. Like in monsoon season, rate of concreting is low, because it gets disturbed with the rain and other things. But now, we have entered into the non-monsoon period. That is basically working period and it is going to increase.

Apoorva Bahadur: So, what would be the typical run rate during non-monsoon periods if 12,000 cubic meter is in the monsoon period?

R.P. Goyal: It can be 40,000. You can take average of 40,000.

Apoorva Bahadur: Sir, one four or four zero?

R.P. Goyal: Four zero.

Apoorva Bahadur: Four zero from 12,000.

R.P. Goyal: In non monsoon period, we expect to place concrete at the rate of 40,000 cubic meter per month.

Y.K. Chaubey: Actually, it also depends that once we come up, it becomes reinforced concrete and lot of reinforcement is required to put there. So, if it is reinforced concrete, then it goes slightly, I mean, it becomes less and if it will be a mass concreting, then a total concrete rate increases. So, it

all depends on which location we are doing concreting in that particular month or that way.

Apoorva Bahadur: Sir, also on Parbati on the tunneling work, if you can share similar numbers, how much has been done in cubic meters or in percentage terms, and what's the monthly run rate expected over there?

Y.K. Chaubey: At present, we can say that balance around 550-560 meter is there. Otherwise, HRT is completed. We have completed 30.95 kilometer out of 31.54 kilometer and 560 meter is left out and then, the entire HRT will be completed. So, this is on the execution part.

Apoorva Bahadur: And sir, how much do we expect to do, say, every month in the post monsoon season now?

Y.K. Chaubey: At present, we are doing it 2 meter or 3 meter in a day. So, you can say 60-70 meter per month.

Apoorva Bahadur: So, we will take say less than 10 months, 9-10 months probably to complete this.

Y.K. Chaubey: Yeah. We can say. But as geology improves because at present, we are negotiating slightly poor condition in the daily blasting phase of it. So, that's why it's slow, but it may improve further as we negotiate the entire that band.

Apoorva Bahadur: Sir, also just wanted to check on this late payment surcharge thing. How much of our receivables have been converted over here?

R.P. Goyal: Actually, overdues in respect of J&K and Tamil Nadu to the tune of Rs. 1,400 Crore has been agreed to be paid in installments. So, from J&K we are getting Rs. 50 Crore per month in 28 installments and in case of Tamil Nadu, there is small amount of Rs. 20 Crore which we are getting in 40 installments. So, the total amount will be liquidated.

Apoorva Bahadur: So for both of these, it's a 48-month EMI or is it for a shorter term?

R.P. Goyal: No, in case of J&K, it is 28 installments and in case of Tamil Nadu, it is around 40 installments. But in case of Tamil Nadu, amount is very small.

Moderator: Thank you. The next question is from the line of Aniket Mittal from SBI Mutual Fund. Please go ahead.

Aniket Mittal: A couple of questions. So, one was just to understand on the employee level. I think if I look at over the past few years what we have done is, we have reduced our employees fairly significantly and that have kept check on our profitability as well. So, if you could just help me on that trajectory, you know, going forward, is there still room for us to as we build new projects, is there still room for us to divert some of the current employee to the new projects or there will be new employees that we will have to add?

R.P. Goyal: Actually, earlier we were having over staffing. So, now we have entered in the ideal situation, but of course, due to coming of new projects, we require further manpower. So, we are in the process of engaging employees through open advertisements. But there is no alarming situation on account of number of employees. We are very much comfortable as of now.

Aniket Mittal: And just to understand on the employee front, when I, let's say, were to have a look at your actual O&M expense and compare that with the normal, is there any under recovery now over there or maybe are we doing better than the O&M now?

Y.K. Chaubey: Actually, under recovery issue was in the past and nowadays, we are well within the O&M charges which we are receiving from CERC. So, there is no issue of under recovery at present. Rather, we are saving something.

Aniket Mittal: The second question was on the Subansiri front. You stick to your timelines of June '23, but just wanted to understand the recent, you know, landslide that have happened over there. If you could just elaborate a bit more on the impact that's happened on that project and are there any restoration works that would be required? And how are we going about that?

Y.K. Chaubey: Yeah. We have started the restoration work in last September and October months. There has been extended rainfall and some slide has taken place in the diversion tunnel area. So now, there is no flood. Even rain has stopped. So, we have planned our work and we will be going ahead with our planning. For two months work has hampered, progress has hampered and it has got impact. Earlier, we are determined to complete it by March'23. So, one or two months it will go ahead and by June'23 we are sure of completing it.

Aniket Mittal: So, it's largely the diversion tunnel that's being impacted. There are no other structures that have been impacted here.

Y.K. Chaubey: Diversion tunnel and basically, the access going to the diversion tunnel. So, that access road has to be rebuilt so that we can reach to the diversion tunnel and carry out our works. So, basically that will be taking some time and because of that reason, we have put additional two months and two units are likely to be commissioned by June'23.

Aniket Mittal: Just one last question. I think, recently, there's been an MoU that you have signed with the Bharat Electronics on solar manufacturing. Could you just, you know, throw some light on the rationale for that? And what is it that we are looking to do on that front?

R.P. Goyal: Actually, it is just in initial stage of talks. No concrete proposal has come from BEL and as per our understanding, we have signed an MoU for manufacturing of panels for solar projects, but nothing concrete has come as of now.

- Moderator:** Thank you. The next question is from the line of Mohit Kumar from DAM Capital. Please go ahead.
- Mohit Kumar:** So, my first question is on which other projects which you were looking to tender out in the next fiscal? Do you think Sawalkot will go to the tendering process in this fiscal?
- Y.K. Chaubey:** Yes, Sawalkot NIT already floated.
- Mohit Kumar:** Sawalkot is 1,856 Megawatt, right? That's a large project.
- Y.K. Chaubey:** Yes.
- Mohit Kumar:** And this will get awarded in this fiscal?
- Y.K. Chaubey:** It will take some time, because some clearances are yet to be done there. Though we have floated the NIT and we are in process of receiving the bids, but maybe that will be extending some time and because we have got time actually. Some clearances are still pending and that has to be done first.
- R.P. Goyal:** Actually, it is expected to be decided in FY 23-24 only. In current year, it will not be decided, because there are certain clearances yet to be received.
- Mohit Kumar:** So, Dugar may happen in this stage too, right?
- R.P. Goyal:** Dugar may happen by end of this FY. By March '23, we may expect.
- Mohit Kumar:** Secondly, sir, on the profitability side in this, what explains the increase in profit from 1,305 Crore to 1,471 Crore in this standalone? And also in JV there, also in the consolidated income, there is slightly higher income, if I subtract consolidated, my standalone, that number difference is 2.5 billion. Is it primarily related to the NHPC number? Can you just share the NHPC revenue by EBITDA and profit, if possible for Q2 and this one?

R.P. Goyal: In standalone results, the main reason of increase is recognition of MAT Credit in current quarter. i.e. amounting to Rs. 123 Crore. This is the main reason. In addition to that, there are impact of fair value loss of financial assets i.e. amounting to Rs. 38 Crore.

Mohit Kumar: Yeah. That's from the negative side.

R.P. Goyal: Negative side, yeah. Positive side is MAT Credit recognition and regarding your next question, for the half yearly increase in profit, the main reason is Rs. 127 Crore on account of again MAT Credit and increase in generation.

Mohit Kumar: On the consolidated number, sir.

R.P. Goyal: I am talking about standalone. In current half year, there is increase of 900 Million Units in generation. So, that has also tried to increase the profit. Regarding NHDC, in current half year, the total generation is 3,188 MUs as against 1,342 MUs in corresponding previous half year. So, there is an increase of 138% in the generation in current half year in NHDC. This has contributed a lot in consolidated Profit of the Group.

Mohit Kumar: Is it possible to share the NHDC's quarterly number on the revenue, EBITDA and PAT?

R.P. Goyal: Okay. First of all, I am sharing the generation figures for NHDC. In Q2 of FY'23, the generation was 2,715 MUs as against 426 MUs in corresponding previous quarter. So, there is a tremendous increase in the generation of NHDC and it is the highest ever generation from NHDC so far. It pertains to second quarter. NHDC Profit is Rs. 416 Crore as against Rs. 258 Crore for the half year and Rs. 305 Crore as against Rs. 105 Crore for the second quarter.

Mohit Kumar: Can you repeat the quarter number, sir, again?

R.P. Goyal: Rs. 305 Crore is the PAT. Current quarter PAT is Rs. 305 Crore against Rs. 105 Crore in the corresponding previous quarter.

Mohit Kumar: Lastly, sir, on the receivable accounting, if you can just tell us, you know, what are the outstanding amount from J&K and Telangana? What are the outstanding amount principal plus late payment surcharge? And how the accounting has happened? Or what has led to the fair value, if you can just throw some more light on that?

R.P. Goyal: As I mentioned in my speech that on account of billed debtors, the amount is Rs. 3,103 Crore for the company as a whole. Out of this, J&K outstanding is Rs. 1,477 Crore. Out of that, around Rs. 1,250 Crore are being received in installments as earlier mentioned from PFC and REC directly at the rate of Rs. 50 Crore per month. So, you can consider Rs. 1,250 Crore as securitized through PFC and REC and balance is being received directly from J&K by way of adjustment of water cess and in cash. In respect of UP, outstanding is Rs. 813 Crore. It is also only current dues which is less than 45 days. In respect of West Bengal, it is Rs. 457 Crore. This is also current dues and old dues is zero. In respect of Punjab, the amount is Rs. 108 Crore. This is also current dues and old dues is zero. A small amount in respect of Rajasthan Wind Power i.e. Rs. 83 Crore and out of Rs. 83 Crore, Rs. 79 Crore is the old dues, which we are pursuing with the state and others are Rs. 165 Crore in total dues. Out of that, only Rs. 42 Crore is the old dues. As on date, if you want as on date position of debtors, that also I can explain. Total amount is Rs. 1,286 Crore. Out of that, more than 45 days is only Rs. 146 Crore and this is on account of debtors.

Moderator: Thank you. The next question is from the line of Anuj Upadhyay from HDFC Securities. Please go ahead.

Anuj Upadhyay: So, starting, firstly on Parbati, sir. Sir, it would take at least 8 to 9 months to complete the tunneling work. So, by when are we expecting the COD to get achieved, sir, in the case of Parbati?

- Y.K. Chaubey:** It is scheduled for December'23.
- Anuj Upadhyay:** So, I mean, post tunneling work, we are saying it won't take beyond two or three months to commission the project. Is my understanding correct, sir?
- Y.K. Chaubey:** I mean, the station will be completed. Only 560 meter is left and then we have to go for the lining part that is around 3 kilometers balance as on date. Rest all other components are ready. So, only these two components or these two activities have to be completed and then project will be commissioned.
- R.P. Goyal:** Actually, as per our plan, within 5 to 6 months we will complete the balance excavation of 560 meters left out HRT and the concreting lining work will be done simultaneously and in many areas at a time. So, as per our plan, it will be completed by December'23, and we are hopeful to complete accordingly.
- Anuj Upadhyay:** And this marginal delays are across both the --
- Moderator:** Sorry to interrupt. Mr. Upadhyay, may we request that you return to the question queue? There are participants waiting for their turn.
- Anuj Upadhyay:** I just ask one question.
- Moderator:** Sir, you may please proceed.
- Anuj Upadhyay:** Secondly, sir, with this marginal increase in both delay, I would say, in both Subansiri and Parbati, are our CAPEX cost is same or there is marginal escalation across both these projects?
- R.P. Goyal:** It will impact only IDC and establishment part and there is no likelihood in increasing hard cost. Basically, IDC is the paid cost. So, that may increase.

Anuj Upadhyay: Lastly, sir, can you share the quarterly Incentive Income and the Deviation Charges for that?

R.P. Goyal: Our PAF Incentive for the current quarter is Rs. 181 Crore and Deviation Charges are Rs. 47 Crore. So, the total incentive for the current quarter is Rs. 228 Crore as against Rs. 234 Crore in the corresponding previous quarter.

Anuj Upadhyay: Rs. 234 Crore, right, sir?

Y.K. Chaubey: Yes.

Moderator: Thank you, sir. [Operator Instructions] As there are no further questions, I now hand the conference over to Mr. Rupesh Sankhe for his closing comments.

Rupesh Sankhe: Yeah. So, we thank NHPC management for giving us an opportunity to host this call. We also thank all the investors and analysts for joining this call. Thank you.

Y.K. Chaubey: Thank you very much.

Moderator: Thank you. Ladies and gentlemen, on behalf of Elara Securities Private Limited, that concludes this conference call. We thank you for joining us and you may now disconnect your lines. Thank you.